UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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And Debtor in Possession

In re:

ASSUNCAO BROS., INC.,

Debtor.

Chapter 11 (Subchapter V)

Case No. 22-16159-CMG

Judge: Hon. Christine M. Gravelle

APPLICATION FOR ENTRY OF A CONSENT ORDER REJECTING INSURANCE POLICY WITH HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY EFFECTIVE AS OF AUGUST 26, 2022

Assuncao Bros., Inc. (the "<u>Debtor</u>"), the debtor and debtor-in-possession in the above-captioned chapter 11, subchapter v case (the "<u>Subchapter V Case</u>"), by and through its proposed counsel, Fox Rothschild LLP, hereby requests the entry of a consent order rejecting a health insurance policy with Horizon Blue Cross Blue Shield of New Jersey ("<u>Horizon</u>") effective as of August 26, 2022 pursuant to 11 U.S.C. § 365(a), and in support thereof, respectfully states:

1. On August 3, 2022 (the "<u>Petition Date</u>"), the Debtor commenced this Subchapter V Case by filing a voluntary petition for relief under chapter 11, subchapter v, of the United States Bankruptcy Code. The Debtor continues to operate its business and manage its property as a

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debtor-in-possession in accordance with section 1184 of the Bankruptcy Code. No trustee or examiner has been appointed in the Subchapter V Case.

- 2. On the Petition Date, the Debtor maintained a health insurance policy with Horizon ending in account number 2093 (the "Policy") for the benefit of its non-union employees.
- 3. The Policy is maintained on an annual basis with the premium paid in monthly installments due on the first day of each month subject to a thirty (30) day grace period. The premium balance for August 2022 is \$5,016.34.
- 4. On August 26, 2022, the Court entered an order authorizing the Debtor to sell certain of its assets to Vollers Excavating and Construction, Inc. ("Vollers"), among other relief [D.I. 87]. The sale closed later that day.
- 5. In connection with the sale, Vollers agreed to employ all of the Debtor's employees. As of August 25, 2022, the Debtor's employees have all transitioned to Vollers and are now subject to Vollers' health and benefit plans. The Debtor therefore no longer requires coverage under the Policy with Horizon.
- 6. As set forth in the proposed consent order submitted herewith, the Debtor and Horizon have agreed to the Debtor's rejection of the Policy effective as of August 26, 2022 (the "Rejection Date"), with the Debtor to pay Horizon the sum of \$4,180.28, constituting the prorated amount due for the August premium payment through the Rejection Date. The Debtor shall make the payment within thirty (30) days of entry of the consent order. No other balances shall be due and owing to Horizon in connection with the Policy.
- 7. Based on the foregoing, it is respectfully requested that the proposed consent order submitted herewith, the form of which has been agreed to by or on behalf of each of the Debtor

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and Horizon, be entered, and that the Court grant such other and further relief as it deems just and proper.

Respectfully submitted,

FOX ROTHSCHILD LLP

Proposed Counsel for the Debtor

By: <u>/s/ Michael R. Herz</u>
Michael R. Herz, Esq.

Dated: September 2, 2022